

# San Francisco Chronicle

## California lost 20,300 jobs in January

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Saturday, March 1, 2008

SAN FRANCISCO -- California employers trimmed payrolls by a seasonally adjusted 20,300 positions in January, the state Employment Development Department reported Friday, the latest sign that a slowing economy is taking a toll on jobs.

The state's unemployment rate was 5.9 percent in January, unchanged from a revised 5.9 percent in December.

The jobless rate stayed steady largely because the number of people counted in the labor force declined. Workers must be employed or actively looking for jobs to be considered part of the labor force.

The housing slump is undermining the job market throughout the state. But so far, San Francisco has dodged most of the damage.

The metropolitan area, which includes San Mateo and Marin counties, lost only 100 jobs in the finance, insurance and real estate category in the year ended in January 2008. By contrast, the San Jose metro area, which includes Santa Clara and San Benito counties, lost 1,200 such jobs. The Oakland metro area, which includes Alameda and Contra Costa counties, shed 4,400 such jobs.

Now, though, job growth is slowing throughout the region, signaling that a weakening economy is acting as a drag even in the state's strongest economic region.

In the last six weeks, the San Francisco office of Spherion Corp., a staffing firm that specializes in administrative, technical and financial jobs, has seen assignments drop from about 40 a week to about 25. The slowdown is concentrated among administrative and clerical positions, senior branch manager Stephanie Zeppegno said.

"There are a lot of budget cuts right now," Zeppegno said. "Things have been put on hold, but most say they'll give us more business in the second quarter."

Workers "are not worried about losing their jobs, but they're leery about leaving their jobs," Zeppegno added.

Meanwhile, there's plenty of competition for job openings.

"I volunteer time with job seekers in the Bay Area, and nearly every job opening attracts tens of job seekers, often more," said former Employment Development Department Director Michael Bernick, now a San Francisco attorney.

In the San Francisco metropolitan area, the unemployment rate edged up to 4.3 percent in January from 4.1 percent in December. Local jobs numbers are not adjusted for seasonal factors. January's increase in the jobless rate was mainly due to the normal loss of holiday jobs in sectors such as retail trade.

"Seasonal declines (in employment) this time of year are usual," said Employment Development Department analyst Ruth Kavanagh.

In January, the San Francisco metro area's jobless rate was 4.3 percent, while the San Jose and Oakland areas' rates were both 5.3 percent. That compares with an unadjusted 6.3 percent statewide rate last month.

Between January 2007 and January 2008, the Bay Area gained 35,700 jobs while Southern California lost 27,500 jobs, according to the Center for the Continuing Study of the California Economy.

The San Francisco metropolitan area set the pace, with an increase of 20,900 jobs, followed by the San Jose metropolitan area with 11,400 jobs.

Statewide, the January data reflected annual recalculations in which job numbers are checked against employer tax records. Those revisions showed higher statewide losses than previously calculated in construction, manufacturing and finance, with an overall gain of just 14,900 jobs in California between January 2007 and January 2008.

The recalculation showed a total of 15.17 million jobs in California in December 2007, about 120,000 fewer than previously reported.

"These revisions, while not unexpected, highlight the probability that economic growth in 2008 will be lower than expected," concluded Stephen Levy, director of the Center for the Continuing Study of the California Economy, in an analysis.

Jobless rate over the last year

Unemployment rate (not seasonally adjusted)

Area	Jan. 2008	Dec. 2007	Jan. 2007
San Francisco	4.3%	4.1%	4.1%
San Jose	5.3	5.1	4.8
Oakland	5.3	5.0	4.7
California	6.3	5.9	5.5
United States	5.4	4.8	5.0

San Francisco includes San Mateo and Marin counties. San Jose includes Santa Clara and San Benito counties. Oakland includes Alameda and Contra Costa counties.

Source: California Employment Development Department